

Message Text

UNCLASSIFIED

PAGE 01 WINNIP 00016 112315Z
ACTION EUR-12

INFO OCT-01 ISO-00 INT-05 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-06 CEA-01 L-03 H-02 PRS-01 PA-02 /107 W
-----122515 112318Z /72

P R 112305Z JAN 78
FM AMCONSUL WINNIPEG
TO SECSTATE WASHDC PRIORITY 2109
INFO AMEMBASSY OTTAWA
AMCONSUL TORONTO

UNCLAS WINNIPEG 16

EO 11652: NA
TAGS: EMIN, EINV, CA
SUBJ: SASKATCHEWAN ANNOUNCES ANOTHER POTASH ACQUISITION

REF: WINNIPEG 15

1. IN FOLLOWING UP REPORT OF AMAX PURCHASE (REF TEL), WE
LEARNED THAT ON JAN 11, PREMIER BLAKENEY ANNOUNCED THAT
POTASH CORPORATION OF SASKATCHEWAN (PCS) HAS REACHED
AGREEMENT TO PURCHASE 60 PERCENT OF ALLAN POTASH MINE
OPERATORS LIMITED WHICH HAS RATED CAPACITY OF 1.5 MILLION
TONS. PCS WILL PAY CAN DOLS 29.1 MILLION FOR 20 PERCENT
SHARE OWNED BY SWIFT--ESMARK INC OF CHICAGO, AND CAN DOLS
56.7 MILLION FOR 40 PERCENT SHARE BELONGING TO U.S. BORAX
A UNIT OF RIO TINTO-ZINC CORP LTD OF BRITAIN (TOTAL PRICE
--CAN DOLS 85.8 MILLION). PCS IS STILL NEGOTIATING FOR
REMAINING 40 PERCENT SHARE WHICH OWNED BY TEXASGULF INC
OF STAMFORD, CONN.

2. IT IS EXPECTED THAT ALLAN PURCHASE WILL BE COMPLETED
BY MID-APRIL WHICH, ALONG WITH AMAX ACQUISITION, WILL
BRING GOVERNMENT OF SASKATCHEWAN CONTROL OOF PROVINCIAL
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 WINNIP 00016 112315Z

POTASH INDUSTRY TO ABOUT 40 PERCENT. THIS DOES NOT
REPEAT NOT INCLUDE ANY CALCULATION OF CONTROL BASED ON
EXPANSION OF ACQUIRED PROPERTIES--SOME SOURCES HAVE IN-
DICATED THIS COULD BE AS MUCH AS 6 PERCENT ADDITIONAL CAPACITY

3. IN PRESS CONFERENCE, PREMIER BLAKENEY SAID THAT AT
PRESENT TIME. WE HAVE NO FURTHER EVALUATIONS OF OTHER

POTASH MINES ON THE GO. IN ADDITION, BLAKENEY SAID WHILE GOS IS IN TOUCH WITH A NUMBER OF OTHER OWNERS, THERE IS NOTHING ELSE TAKING PLACE WHICH COULD BE CALLED A NEGOTIATION.

4. BLAKENEY CONCLUDED WITH STATEMENT THAT PCS MUST MAKE A DECISION WHETHER OR NOT ITS OBJECTIVE OF APPROXIMATELY ONE-HALF OF THE INDUSTRY CAN BE SATISFIED BY EXPANSION OR BY FURTHER ACQUISITIONS.

5. SPOKESMAN FOR PCS TOLD US THAT BLAKENEY S STATEMENT (PRECEEDING PARAGRAPH) IMPLIES THAT SASKATCHEWAN HAS REACHED A PAUSE IN ITS ACQUISITION POLICY. HOWEVER, OTHER CONTACTS IN THE SASKATCHEWAN LEGISLATURE SAID THEY HAD BEEN UNABLE TO GET A COMMITMENT FROM MR. BLAKENEY THAT SASKATCHEWAN S POTASH ACQUISITIONS HAVE REACHED AN END.

6. COMMENT: WHILE WE KNEW THAT NEGOTIATIONS WERE UNDERWAY WITH BOTH AMAX AND ALLAN OWNERS, WE WONDER WHY THESE TWO ACQUISITIONS WERE ANNOUNCED AT THIS TIME, ESPECIALLY THE ALLAN DEAL WHICH SO FAR, HAS NOT BEEN FULLY CONSUMMATED. WE WILL BE EXPLORING THIS QUESTION FURTHER WITH OTHER CONTACTS, AND WILL REPORT ON ANY NEW DEVELOPMENTS.
HUTSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ACQUISITION
Control Number: n/a
Copy: SINGLE
Draft Date: 11 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978WINNIP00016
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780017-0157
Format: TEL
From: WINNIPEG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780174/aaaacklk.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fb3d8be4-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 WINNIPEG 15
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3790792
Secure: OPEN
Status: NATIVE
Subject: SASKATCHEWAN ANNOUNCES ANOTHER POTASH ACQUISITION
TAGS: EMIN, EINV, CA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/fb3d8be4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014